

11/6

PRIME MINISTER

DIARY

Falkland Islands: QE2 arrives with survivors of HMS Coventry, HMS Antelope and HMS Ardent.
President Reagan visits Berlin.

The Pope visits Argentina.

SDP leadership - nominations close.

Mr Trudeau visits Yugoslavia.

EEPTU Conference, Scarborough.

POEU Annual Conference, Blackpool.

Statistics:

Building Societies' monthly figures (May).

Usable steel production (May).

Construction - output (1st qtr).

Publications:

'British Business' feature on Land Rover.

'Northern Ireland Observed' booklet.

Ministers - see Annex

PRESS DIGEST

FALKLANDS

Treatment:

D/Star: Front page picture of QE2 sailing home off Land's End with 700 survivors from 3 ships.

Sun: 70 dead; toll fear grows over blitzed Sir Galahad; 'Mug's War' clangor by top Tory.

Mirror: The toll is grim; Thatcher warns of considerable casualties; Britain promised a victory soon.

Express: Onward now to Victory; the brave men of Galahad.

Mail: The Agony and the Hope; QE2 sails up the Channel; Astiz flies home first class.

Telegraph: Galahad toll warning by Thatcher; Nott expects victory.

Guardian: Nott: We can't say number of dead; Thatcher hints at 'considerable' toll on Galahad; Defence drops security blanket; Task Force makes good damage.

Times: Nott says losses will not delay retaking Islands.

FT: Falklands plan unchanged by landing-ships attack.

Comment:

D/Star: Mr Nott's plaudits for journalists should not blind us to the public relations deficiency of his own Ministry. His words will be greeted wryly by the men he praised. Far too many instances of Ministry dissembling, withholding, manipulation. Still massive mutual suspicion.

Sun: Astiz should go down on his knees in thanks that he was taken prisoner by a civilised country - given mercy he does not deserve - a murdered and a torturer.

Mirror: Under heading "Nothing but the Truth" says the public knows something serious happened on Tuesday to units but they have been told very little by MoD. Ministers' words compound confusion and fear. Mr Nott should tell the whole truth as quickly as possible.

Express: If we are poised to go forward it is none too soon! Must be no letting up. Casualties will not weaken our resolve. But not clear why MoD has been so tardy. Does the country and its cause no good by being tardy. Task Force can take it - and so can we.

Mail: Feature by Anthony Lejeune on bad blood between journalists and MoD; he says if public relations are neglected or wrongly handled the efforts of the men in the field may be wasted or betrayed. Professional skill and firm political direction are required. PR as well as Naval policy will have to be drastically overhauled in the light of the Falklands.

Times: Considering Pope's visit to Argentina, says whatever he says about the war, the military Government will try to associate itself with him to resolve its legitimacy. Argentina will receive a boost to its morale. Longer term, big challenge to US diplomacy. Will now give priority to mending Latin American offences. But here we need a new policy for the Americas as a whole.

FT: Says psychologically it's important that, despite misgivings among some Continental powers, Britain was not criticised at NATO for diverting warships from the North Atlantic to the Falklands.

Military:

- You warn of considerable casualties; attention drawn to different reasons given by you and Mr Nott for holding back information; many MPs uneasy about toll; at least 7 Argentine bombers shot down; Select Committee to inquire into handling of news and coverage.
- FT says death toll may now exceed 1,000.
- Mr Nott promises victory in a short time.
- Fears that Argentine may use Port Stanley residents as hostages; paras pity young conscripts.
- Peru reported to have sent 10 Mirages to Argentina; Mail says Argentine has re-stocked with a shipment of Skyhawks from Israel.
- Brazil releases Vulcan, though minus missiles and with undertakings about its future use.

- Astiz on his way home; Robert Adley MP wants him prosecuted for crimes against international law; Mail hopes his release will help 2 journalists detained in Ushuah.

In Argentina:

- Junta turns Pope's visit into a PR circus; Galtieri will see him first and last; junta will meet him 6 times.
- Public opinion poll shows 80% want to continue war if there is no diplomatic settlement.
- Telegraph says Argentine economy was in accelerated decline before Falklands invasion.

In Falklands:

- Sun says Islanders in Port Stanley have been suffering under Menendez - blustering bully.
- Britain appeals to Red Cross to help Islanders in Port Stanley.
- Mail says jubilant welcome for liberators - and roast lamb.

Politics:

- Jock Bruce Gardyne, Minister of State, Treasury, claims Britain has no stomach for warning letter written in early May.

Diplomatic:

- Telegraph notes lack of NATO communique on Falklands.
- Your low key clash with Calvo Sotelo noted, especially in Times.
- Malcolm Rutherford, FT, says real lesson on Falklands is quite different from the way thinking is going in both major parties - namely, that we need more internationalism not less and more effective alliances rather than more national self reliance.

Media:

- Mr Nott praises media work in Falklands as absolutely magnificent.

Cost:

- Cost of campaign so far could run into £1bn, split equally between running costs and replacement.
- £ falls to \$1.76 on bad news from Falklands.

Trade:

- You order inquiry into help given by multi-national companies to Argentine.

Middle East

- Haig turns down invitation to visit Jerusalem because of Israeli "inflexibility".
- Reagan makes second appeal to Begin to stop fighting.
- NATO Government Heads do not issue joint declaration on conflict because of gulf between US and Europe.
- Israel threatens occupation of Beirut unless Syrian forces withdraw from city.
- Heavy casualties reported in battles on several fronts.
- EC aid to Israel under threat.
- Iraq declares unilateral ceasefire.

Economy

- European central bankers expected to criticise Britain's decision to sell inflation-proof securities to general public.
- BNOG to explore Irish offshore blocks.
- Talbot UK gives up plan to sell its car retailing business.
- MMC report clears merger of BTR and Serck.
- DoI announces a small firms technical enquiry service.
- Pound drops to lowest level against the dollar for almost two months.
- BUPA records £1.9m underwriting loss.

Pay and Disputes

- Government calls in ACAS chairman as intermediary - not formal arbitrator - in NHS dispute.
- Teachers would get 6% under arbitration recommendation.
- Scargill threatens strike over NCB closure proposals in Kent - his own staff revolt over "petty restrictions".
- Workers pledge action on Shell Carrington complex closure proposals.
- Biffen comments on MPs pay and rejects automatic comparability rises.
- BR says it will not improve 5% offer.

Employment

- TUC launch campaign against Employment Bill.
- Mayday Holiday to be retained.
- National Engineering scholarship scheme may collapse through lack of support.

EC

- The Commission advises against Greece's suggested arrangements for meeting its social and economic needs.
- Textile proposals meet Third World opposition.
- France may pay bulk of the UK rebate under plan to be considered on 21 June.

Steel

- Europe/US trade confrontation threatened as deadline for US Government action on imports of European steel passes.
- BL/BSC in row over steel prices.

Law and Order

- Lord Chancellor's Department proposes payments from young offenders under Legal Aid Bill.
- Policewoman shot in back after being called to incident at house.
- Parole Board reports highest parole rate ever and proposes changes in the system.
- Toxteth machete attack victim says he made the story up.

Northern Ireland

- Haughey urges US to stop supporting "Republican guerillas".
- Retention of at least 5 of Northern Ireland's 9 Industrial Training Boards proposed.
- Guillotine thought likely on Northern Ireland Bill.

NATO

- NATO Leaders call for programme of peace and freedom.
- You call for more spending on conventional arms.

Politics

- Foot, in Labour Weekly article, says he will not resign.
- Labour may well officially adopt plan to abolish the House of Lords.
- SDP poll reveals strong support for Owen in leadership contest as Jenkins camp claims black propaganda.

International

- US House of Representatives passes Reagan Budget proposals after 4 month deadlock.
- Sweden's Queen Silvia gives birth to a daughter, her third child.
- Swedish Riksdag approves income tax cuts.
- Pakistan asks for more aid.
- US Senate Foreign Relations Committee rejects Kennedy's nuclear arms freeze proposals.
- German film director Fassbinder found dead in Munich flat.

Entertainment

- "Talk of the Town" to close.
- National Theatre may use private cleaning contractors and thereby lose GLC grant.

Sport

- England's World Cup squad arrives in Spain.

ANNEX

Ministers:

Sir Geoffrey Howe visits Lancashire.

Mr Jenkin visits South Durham.

Mr Fowler addresses National Association of Health Authorities Conference, Brighton Centre. (11.15am).

Mr Pym attends NATO Summit, Bonn.

Sir George Young attends Building Societies' Association lunch.

Lord Bellwin visits Middlesborough Inner City Seminar.

Baroness Young speaks at European Union of Women International Council meeting dinner.

Mr Channon addresses Council of Museums and Galleries in Scotland and presents National Heritage Museum of the Year Awards in Scotland, Edinburgh.

Mr Shelton addresses Association of Vice-Principals of Colleges of Further Education, London. (2.00pm).

Mr Sproat speaks at Seating Seminar, Aberdeen.

Lord Ferrars attends Royal Cornwall Show.

Mrs Fenner visits South of England Show, Ardingley, West Sussex.